

**GOVERNMENT OF INDIA
SOCIAL JUSTICE AND EMPOWERMENT
LOK SABHA**

UNSTARRED QUESTION NO:2460
ANSWERED ON:17.08.2006
INTEREST RATE CHARGED BY NSCFDC
Sethi Shri Arjun Charan

Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:

- (a) whether the rate of interest of loans given by the National Scheduled Castes Finance and Development Corporation to States/SC/ST Finance Corporations is very high in comparison to the loans given by the Nationalised Banks to them;
- (b) if so, whether unless 90 percent of the recovery of the loans given by the NSCFDC, States Finance Corporation are not eligible for getting further loans from the NSCFDC; and
- (c) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF SOCIAL JUSTICE AND EMPOWERMENT (SMT. SUBBULAKSHMI JAGADEESAN)

- (a) No Sir. The interest rate chargeable from the State Channelising Agencies (SCAs) is very low and it ranges from 1% to 5%, depending on the scheme and quantum of loan.
- (b) & (c) No Sir. As per lending policy of the NSFDC, there are certain pre-conditions for disbursement of funds to SCAs, which inter-alia includes a minimum 80% cumulative utilization level of funds already disbursed to the SCA.